

ABSTRACT

Financial distress is a condition of a company that experiences a decrease in profits which has an impact on losses and leads to bankruptcy. The high use of company costs to develop and maintain a business makes the company need additional funds obtained by the company from external parties. If the company is unable to pay off the funds provided by external parties (debts), then the company has high debts and will result in bankruptcy.

This study aims to analyze and test the effect of Profitability, Capital Intensity, Operating Cash Flow on Financial Distress on food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 period.

The population in this study is food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 period. The sampling technique used was Purposive Sampling and obtained 27 food and beverage sub-sector companies with an observation period of four years so that 108 sample units were obtained in this study. The data analysis method in this study is logistic regression analysis with IBM SPSS 26.

The results of this study show that profitability, capital intensity, and operating cash flow simultaneously affect financial distress. Profitability and capital intensity partially have no effect on financial distress while operating cash flow partially negatively affects financial distress.

Keywords: Operating Cash Flow, Capital Intensity, Financial Distress, Profitability.